

Introduction

This is an introduction to Bodycote's Bribery and Corruption Policy. Bodycote has a zero-tolerance policy to bribery and corruption. This zero-tolerance approach is explained in the Bribery and Corruption policy found below. This policy clearly outlines a set of standards that all of us, without exception, are required to comply with. Our core values help to detail our standards of ethical behaviour and this policy explains the compliance with laws and regulations that are essential to protecting the reputation and long-term success of our business. Any incidents of bribery and corruption involving, or relating to, Bodycote will damage our reputation. Breaches of the Bribery and Corruption policy are not acceptable and may result in disciplinary action up to and including dismissal. This Bribery and Corruption Policy ("Policy") is mandatory and applies to all employees of Bodycote plc and its subsidiaries.

The principles:

- We act with integrity, honesty, and deal openly
- We communicate clearly our anti-bribery and corruption policy in simple terms to ensure there is no doubt for any of our stakeholders
- Ensuring employee awareness so that bribery can be recognised and avoided
- All employees have a personal responsibility for protecting our reputation and living up to our values and Code of Conduct

The overview:

Simply put, the policy prohibits the offering, giving, solicitation or acceptance of any bribe (whether cash or other inducements) to or from any person or company or by anyone acting on behalf of Bodycote.

1. Definitions relevant to this Group Bribery and Corruption Policy

1.1. Bribe: Includes:

1.1.1. Offering, promising or giving anything of value to improperly influence another in order to obtain business or procure an action for Bodycote; or

1.1.2. Requesting or accepting anything of value as a reward for or as an inducement to act improperly in relation to the awarding of business by Bodycote or an action of Bodycote.

Bribes can include money, gifts, hospitality, expenses, reciprocal favours, political or charitable contributions, or any direct or indirect benefit or consideration.

- 1.2. **Bribery and Corruption Officers:** Bodycote's Chief Administration Officer and Group General Counsel are Bodycote's appointed Bribery and Corruption Officers.
- 1.3. **Employees:** Includes all workers performing duties on behalf of Bodycote, whether or not employed directly by Bodycote.
- 1.4. **Third Party / Parties:** Includes government / public officials, political parties, agents, brokers, partners, consultants, contractors, joint venture partners and other representatives performing work for the benefit of Bodycote.

2. Bribery and Corruption Policy - Responsibility of Bodycote Companies and Employees

Compliance with Law

- 2.1. Bodycote's policy is to comply with the Organisation of Economic Co-operation and Development's Bribery Convention and the Bribery Act 2010 (UK) and all other applicable anti-bribery and anti-corruption laws where we are present.
- 2.2. Accordingly, Bodycote companies and **Employees** must take all steps in order to conform to all relevant laws of the countries in which they do business.

No Bribes

- 2.3. Bodycote companies and **Employees** must not offer, provide request or accept, directly or indirectly, any **Bribe**, including facilitation payments, to or from any **Third Party / Parties**.

Dealings with Third Parties

- 2.4. You must not make a payment to a **Third Party /Third Parties** if you know or suspect that the person may use or offer all or a portion of the payment directly or indirectly as a **Bribe**. It is your responsibility to ensure that **Third Parties** engaged on behalf of Bodycote are legitimate service providers. Before engaging any such party you are required to undertake appropriate due diligence checks. If you are in any doubt whatsoever about the legitimacy of a proposed **Third Party** you should discuss your concerns with one of the **Bribery and Corruption Officers** prior to entering into any arrangements with the **Third Party**.

Facilitation Payments

- 2.5. Making a payment or gift to a government / public official (whether directly or indirectly) to encourage or induce them to obtain or retain business or some other commercial advantage for Bodycote may appear to be an acceptable practice, or may be customary in some parts of the world. However, such payments or gifts are illegal and are prohibited by Bodycote and you must not make payments regardless of local custom.

- 2.6. When and only when, payments are permitted by the written law of the country they are being made, may we make such payments, but only with the written approval of the Group Chief Financial Officer. Circumstances in which facilitation payments commonly arise include: when obtaining permits, licences or other official documents; when obtaining import and export clearance; to provide access to facilities such as power and water.
- 2.7. If in any doubt about whether to make a payment i.e. whether it is permitted by law, or if concerned that a payment has been made on our behalf by a third party without our instruction appropriate advice should be sought from one of the **Bribery and Corruption Officers**.

3. Gifts and Hospitality

- 3.1. In the normal course of business Bodycote employees may provide or receive gifts or hospitality to or from third parties. At all times employees should judge the appropriateness of the gift or hospitality provided or received and consider the potential implications on any business decision.
- 3.2. All hospitality provided to or received from Divisional Presidents or Vice Presidents in excess of GBP400 / USD560 / EUR480 per occasion should be approved by the line manager in advance. Divisional Presidents should set lower approval levels within their Divisions as they see appropriate.
- 3.3. All gifts provided to or received from employees in excess of GBP50 / USD60 / EUR60 per person should be approved by the line manager in advance. Divisional Presidents should set lower approval levels within their Divisions as they see appropriate.
- 3.4. Employees will be responsible for any tax liability that arises from gifts or hospitality received.

4. Application of this Policy

- 4.1. This policy applies to all **Employees** of Bodycote and **Third Parties** performing duties for or on behalf of Bodycote whether or not directly employed by Bodycote.
- 4.2. This policy extends to all Bodycote's operations worldwide and **Employees** wherever geographically located.
- 4.3. Any **Employee** who has any suspicion or reason to believe that this policy is being breached or may be breached should immediately report the matter to one of the **Bribery and Corruption Officers** whose role is to assist the Group in achieving compliance with this policy.
- 4.4. All Divisions are required to maintain a register of gifts and hospitality given or received. Please contact your local HR Manager or one of the **Bribery and Corruption Officers** for a template form of such a register.

5. Consequences for Breaches of Anti-Corruption Laws

- 5.1. **Consequences for individuals:** Consequences may include imprisonment, disqualification from acting as a director and significant monetary fines. You would also be subject to disciplinary action, up to and including dismissal from the company.
- 5.2. **Consequences for Bodycote:** Consequences may include the company facing unlimited fines, damage to the corporate brand and reputation of Bodycote, loss of the ability to trade in certain jurisdictions, debarment from bidding for government contracts, loss of business, legal action by competitors, litigation and substantial investigation expenses.
- 5.3. In addition, under certain anti-corruption laws, the directors and senior officers of Bodycote can be held personally liable for the breaches committed by **Employees** and **Third Parties** and face significant fines and/or imprisonment.

6. Enforcement and Discipline

Bodycote views corruption and bribery very seriously. Bodycote will investigate all allegations of bribery and corruption and take legal and/or disciplinary action in all cases where it is considered appropriate. A breach of this policy may result in an **Employee** facing disciplinary action, including dismissal. Where a case is referred to the police or other law enforcement agency, Bodycote will co-operate fully with the criminal investigation which could lead to the **Employee** being prosecuted.

If you have any further questions please contact the Group General Counsel at Bodycote plc registered office +44 (0)1625 505300 or the Chief Administration Officer at the Dallas Shared Service Centre +1 214 904 2420.

Policy owner:	Group General Counsel
Second policy owner:	Chief Administration Officer
Approved by:	Group CEO
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